

IN THE UNITED STATES PATENT AND TRADEMARK OFFICE
BEFORE THE BOARD OF PATENT APPEALS AND INTERFERENCES

Applicants: Oliver, et al.

Serial No.: 09/036,236

Filed: March 6, 1998

For: SYSTEM FOR MANAGEMENT OF TRANSACTIONS ON
NETWORKS

Examiner: Jeffrey A. Smith

Art Unit: 3625

September 12, 2007

Hon. Commissioner for Patents
P.O. Box 1450
Alexandria VA 22313-1450

REPLY BRIEF PURSUANT TO 41 C.F.R. § 41

In response to the Examiner's Answer dated July 12, 2007, the time for response to which expires September 12, 2007, applicants herewith submit their Reply Brief pursuant to 37 C.F.R. § 41.41.

ARGUMENT

REJECTIONS UNDER 35 U.S.C. § 102(b)

The key issue presented is whether Exhibit “O” adequately describes applicants’ currently claimed invention(s) under 35 U.S.C. § 102(b). Exhibit “O” is also the primary reference for the obviousness rejections.

Applicants do not contest that Exhibit “O” seeks to describe the system which ultimately evolved into the claimed invention; rather, applicants question whether the reference fully discloses, and is enabling for the practice of, that invention, or whether prophetic statements made in the exhibit were insufficient to permit persons of ordinary skill in the art, using ordinary creativity, to practice the invention. As applicants have previously argued, and discussed in Declarations of record, significant inventive skill was required after the date of Exhibit “O” to realize an operable version of the invention fit for its intended purpose, or otherwise operating within the scope of the claims. In order to a reference to qualify as prior art under 35 U.S.C. § 102(b), it must enable a person of ordinary skill in the art to practice the invention, without the exercise of inventive skill.

In particular, as of the date of Exhibit “O”, no transactional capability existed (e.g., elements (c) and (d) of claim 1), and while such capabilities were discussed as a proposed feature of a to-be-developed commercial implementation of the system, these features were not available as part of the alpha test reported in Exhibit “O”.

In fact, exhibit “O” clearly states “Clickshare's personal Newshare(sm) topic-profiling and custom-linking facilities are open for public use at <<http://www.clickshare.com/tryit.html>>. Transaction-handling capabilities, and an initial base of Publishing Members, **will be** launched in early 1996.” “**At that point**, publishers will be able to sell each others’ information for as little

as a dime per click, exchanging royalties and commissions seamlessly,’ added Densmore.

‘Internet Service Providers will be able to act as on ramps into this content universe as well.’”

These unequivocal statements that these functions were simply unavailable at the time of the reference makes clear that the alpha test was not a public use of the invention, but also implies that they were not even ready for testing or patenting, an assertion supported by the Declarations of record. The Examiner has provided no evidence or analysis that the reference enabled a person of ordinary skill in then art to practice the invention.

The Examiner asserts on page 16 that “...Exhibit O was in the public’s possession more than one year previous to the effective date of the instant invention. Such possession was enabled and effected because one of ordinary skill in the art could have combined the publications description of the invention with his [or her] own knowledge to make the claimed invention” In Re Donohue, 766 F.2d 531, 226 USPQ 619 (Fed. Cir. 1985).” This analysis is substantially lacking and tautological, and provides no substantial evidence to support its conclusion. The Examiner alleges at the bottom of page 16 that the reference is presumed to be operable, citing MPEP § 716.07. In fact, that section, by its express terms, applies only to issued US patents, which have a statutory presumption of validity, and the rationale only extends to operability of the patent for its claimed subject matter. The issue presented here is enablement by a **non-patent reference** for applicants’ claimed invention, a quite different issue. There is simply no legally supported presumption that a non-US patent reference is operable, or otherwise meets the requirements of 35 U.S.C. § 112 merely because of its existence. It therefore remains the Examiner’s unfulfilled burden to demonstrate that the reference provides an enabling disclosure which meets each and every claim element of applicants’ claims. This issue was expressly presented to the Examiner in the Answer, and he has failed to supplement the record

with the required analysis. Since this appears to be the only basis supporting the Examiner's allegation of enablement, which forms a part of the Examiner's prima facie case of anticipation, it is respectfully submitted that the art rejections should be reversed.

The Examiner alleges that "Exhibit O explicitly teaches the micropayment system of the instant invention in as complete detail as is recited in the pending claims." However, this does not address the question of whether the reference is enabling. Applicants' claims, and indeed no utility patent claims, are intended to "teach" or enable the invention, a function performed by the specification; rather, the claims define the metes and bounds of patentable inventions. Exhibit "O" simply recites that a micro-transaction system is intended to be employed, not that the details of implementation have been established or conveyed.

Applicants previously provided a discussion of certain of the issues confronted by the inventors, such as its intended use over a public interoperable network, i.e., the Internet. While the claims do not necessarily state that the "Internet" is intended to be used, the claims do in fact recite that the clients access the network, which permits access to the home provider, a plurality of service providers, the settling means, etc. This architecture, whether called the "Internet" or some other name, poses the problems of data communication reliability, security, privacy and interoperability, and applicants arguments are believed appropriate.

The Examiner also states on page 18 that "[t]he specification of the instant invention does not explicitly set forth any structure to perform the recited settling means." This is simply not the case, and there is extended discussion of the settling process and system in the specification, including but not limited to as follows:

[0127] 5.3. Service Components

[0128] The Clickshare Service has been designed as a distributed set of cooperating components that together provide an integrated user management environment. The initial focus of this environment is to provide micro-transaction settlement and audience measurement

services to independent publishers and billing entities of all sizes and service volumes. However, the environment can also be used to control access to services or intangible goods based upon attributes of the requesting user as revealed to the proposed service provider via the authentication token. These services need not have any monetary value. Some of these components run on computers operated by Clickshare Service Providers (at sites not affiliated with Clickshare Corporation). These are called the client side components. The rest, currently, run at Clickshare Corporation's own site. These are the server site components.

* * *

[0297] 5.15. Settlement of Usage Data

[0298] The prototype implementation of the Clickshare/TVS service provides a Settlement Service as a distinct **database-management application** which operations in conjunction with the **TVS logging engine**. This Settlement Service stores records of user access to resources by Service Provider and by user within Service Provider and prepares the records for batch deliveries to the individual user's Service Provider. The Settlement Service also outputs charge records aggregated by Service Provider in a format which can be accepted by gateways to the U.S. banking industry's Automated Clearing House (ACH) service for electronic debiting and crediting of Service Provider and Publishing Member banking accounts. Finally, the Settlement Service outputs charge records aggregated by end user within Service Provider to a Billing Service in a format specific to the most common PC-based program for application of charges to credit-card gateways. Finally, Clickshare contemplates **an interface for outputting individual, aggregated user charges** in a format which can be employed by resellers of telephone company billing services to apply transactional charges to telephone bills or other billing facilities.

* * *

5.17. Private-Key Encryption Used

[0303] In the current implementation of the TVS service, almost no encryption is used. The only transacted item that is encrypted is the authentication token which travels along with each user request. This token is issued by the **Clickshare/TVS authentication server**, and only that server needs to "decrypt" it. All other parties (HTTP servers, and other TVS servers) treat the token as "opaque". Since only the originating TVS server will view the contents of the authentication token, a "private key" encryption algorithm can be used. That private key is stored on the authentication server which originates the token, and remains valid only for the duration of that user's session.

[0304] Currently, TVS uses the IDEA encryption algorithm with a 128-bit key. Since the encrypted data is only valid for the length of one session, and further since the encrypted data has no "enduring value" that warrants use after the session (e.g., credit card number or index), a 128-bit key is sufficient to protect this data for the duration of the session.

[0305] In the future, experience may require that the communication channel between the HTTP server and the Clickshare authentication and logging facilities be encrypted. Since the nature and format of these communication channels is "hidden" in the C programming language API, addition of encryption is totally transparent to both the authentication and logging processes (there are likely to be externally visible additions to configuration files, however). SSL-encryption may be applicable.

Therefore, while the examiner may adopt a suitably broad interpretation of the "settling means" in examination of the application, he may not do so in a manner which ignores the

functional recitation of the claim or the specification and its material teachings. Exhibit “O” fails to teach or suggest a properly construed settling means for accessing a respective home provider registration database, or a separation of the accounting database and the registration database.

The Examiner states that applicants’ arguments in favor of patentability of certain claims (2, 3-4, 6-8, 11-17, 19-21, 23-25, 28-34, 37-46, 48, 50-59, 64 and 81-88) are merely general allegations of patentability. However, it is the Examiner’s burden to present a prima facie case of anticipation, which only then can then be addressed by applicant by a particular analysis. In the case of these claims, the presented prima facie case is woefully deficient, and therefore applicants can do no more than deny the basis of the rejection by pointing to the claim elements presented and comparing them to the content (or absence thereof) of the reference.

With respect to claims 18, 22, 63 and 68, Exhibit “O” refers, if at all, to the aspects of personal privacy and the publisher/subscriber relationship which relate to the information stored on the various servers, and not the information while in transit over interoperable communication networks. Therefore, Exhibit “O” fails to teach or suggest the “assuring” step as required by claim 18 or the authentication protocol of claim 63.


REJECTIONS UNDER 35 U.S.C. § 103

With respect to claims 35-36 and 47, and more generally 35-62, applicants have submitted Declarations antedating the effective date of Teper, which have not been fully considered by the Examiner, even though presented prior to the Final rejection appealed herein.

The Examiner states that applicants, in their March 2, 2005 RCE filing, did not check the (1. b. ii.) box, and therefore the prior submitted Declaration need not be considered on appeal. However, this Declaration was not expunged from the record, and indeed was presented to, and considered by, the Examiner at that time, and therefore forms a part of the record on appeal. Note that the Advisory Action dated February 4, 2005 does NOT check boxes 8 or 9, and thus the entry of the Declaration was not denied by Examiner. Note also that box (1. b.) of the RCE cover sheet refer only to what is enclosed with the filing, and not what evidence was previously made of record. The Examiner may not simply choose to ignore portions of the record for arbitrary and capricious reasons, nor should the Board.

It is therefore respectfully submitted that the invention is patentable and the Final Rejection should be reversed.

Respectfully submitted,

A handwritten signature in black ink, appearing to read "Steven M. Hoffberg", with a stylized flourish at the end.

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